

ENSERCH
EXPLORATION INC.

7800 Stemmons Frwy.
Suite 500
Dallas, Texas 75247
214/630-8711

Jack L. Sledge
Regional Drilling Manager
Eastern Region
Drilling Department

April 15, 1988

RECEIVED
APR 18 1988

DIVISION OF
OIL, GAS & MINING

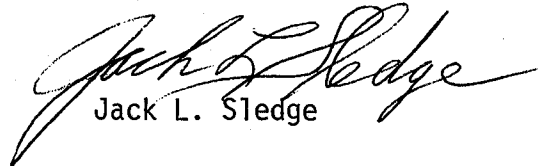
State of Utah
Department of Natural Resources
Division of Oil, Gas & Mining
355 W. North Temple
3 Triad Center - Ste. 350
Salt Lake City, UT 84180

Re: Request for Administrative Exception
Flatland Federal No. 1-10
1100' FSL & 1375' FWL: SE-SW
Section 10, T37S - R23E
San Juan County, Utah
Federal Lease No. U-41258

Attached are two copies of the Application for Permit to Drill for the captioned well. Due to topographic, geologic and seismic concerns, the proposed drill site does not conform to the locating and siting requirements of Rule 302. All lands falling within a radius of 460 feet of this irregular location (SW 1/4 of Section 10) are controlled by EP Operating Company by designation of operator from Petroleum, Inc., (see A.P.D.).

An administrative exception is requested for this location as it would provide the optimum drill site without adversely affecting the interests of other operators or individuals. If there are any questions, or if additional information is required, please advise.

Very truly yours,


Jack L. Sledge

MEK:d1
Encs.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN OR PLUG BACK

1a. TYPE OF WORK
DRILL ☒ DEEPEN ☐ PLUG BACK ☐
b. TYPE OF WELL
OIL WELL ☒ GAS WELL ☐ OTHER ☐
2. NAME OF OPERATOR
E P Operating Company
3. ADDRESS OF OPERATOR
DIVISION OF
OIL, GAS & MINING
7800 Stemmons Frwy., Ste. 500, Dallas, Texas 75247
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
At surface
1100' FSL & 1375' FWL (SE-SW)
At proposed prod. zone
Same
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
11 miles SE of Blanding, Utah
15. DISTANCE FROM PROPOSED*
LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any) 1100'
16. NO. OF ACRES IN LEASE
480
17. NO. OF ACRES ASSIGNED
TO THIS WELL
40
18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT. NA
19. PROPOSED DEPTH
6,600' PPD
20. ROTARY OR CABLE TOOLS
Rotary
21. ELEVATIONS (Show whether DF, RT, GR, etc.)
5873' GR
22. APPROX. DATE WORK WILL START*
May 12, 1988

5. LEASE DESIGNATION AND SERIAL NO.
U-41258
6. IF INDIAN, ALLOTTEE OR TRIBE NAME
7. UNIT AGREEMENT NAME
8. FARM OR LEASE NAME
Flatland Federal
9. WELL NO.
1-10
10. FIELD AND POOL, OR WILDCAT
Wildcat
11. SEC., T., R., M., OR BLK.
AND SURVEY OR AREA
Section 10, T37S, R23E
12. COUNTY OR PARISH
San Juan
13. STATE
Utah

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8"	24#	2300'	Circulate to surface.
7-7/8"	5-1/2"	15.5#	6600'	1000' of fill - top 5600'

Proposed Operation:

Drill a 12-1/4 inch hole to 2300 feet, run and cement 8-5/8 inch casing in place. Install an 8-5/8 inch x 11 inch x 3000 psi wellhead and nipple-up the rig BOP equipment. Test ram preventers and surface equipment to 3000 psi. Test annular preventer to 1500 psi. Test casing to 1000 psi prior to drilling out. Drill a 7-7/8 inch hole to 6600 feet, run drill stem tests where shows dictate. Cut 60' core in Ismay. Upon reaching T.D., run open hole radioactive and electric logs. If well proves productive run 5-1/2 inch casing to T.D. and cement in place. If well proves dry, plugs will be set per BLM and State of Utah instructions.

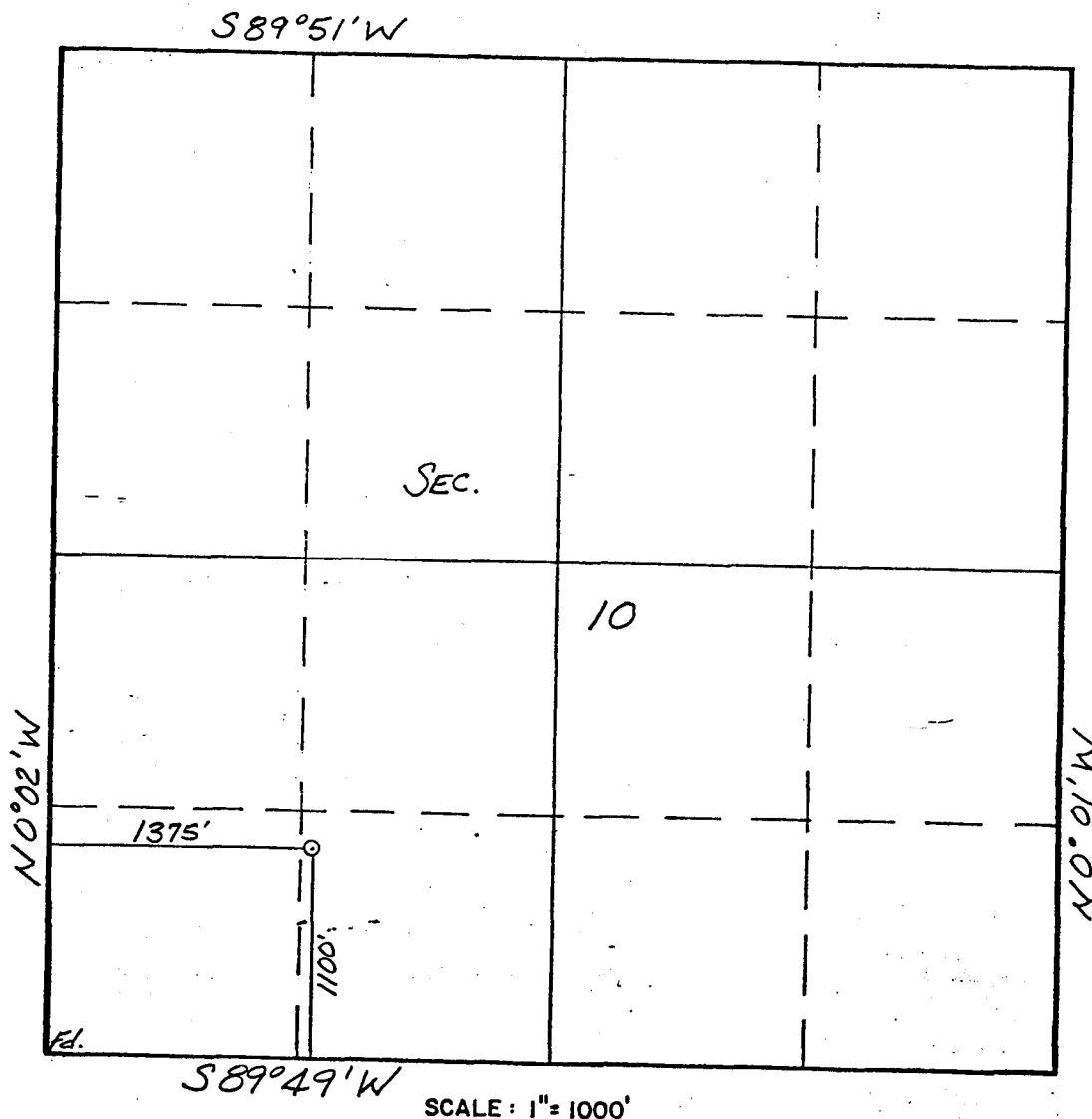
*See attached Drilling Program and Thirteen Point Surface Use Plan.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED JACK E. SLEDGE TITLE Regional Drilling Manager DATE 4-15-88
(This space for Federal or State office use)

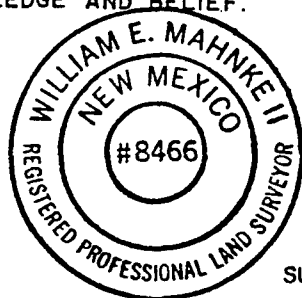
PERMIT NO. 43-037-31416 APPROVAL DATE APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING
APPROVED BY DATE: 5-6-88
BY John R. L...
CONDITIONS OF APPROVAL, IF ANY: TITLE WELL SPACING: 60X5-3-3

COMPANY E P OPERATING COMPANY
LEASE FLATLAND FEDERAL WELL NO. 1-10
SEC. 10, T. 37 S, R. 23 E
COUNTY San Juan STATE Utah
LOCATION 1100'FSL & 1375'FWL
ELEVATION 5873



THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

SEAL:



W E Mahnke II
WILLIAM E. MAHNKE II
NEW MEXICO P.L.S. Nº 8466

SURVEYED MAR. 31, 1988

STATE ACTIONS

Mail to:
RDCC Coordinator
116 State Capitol
Salt Lake City, Utah 84114

-
1. ADMINISTERING STATE AGENCY
OIL, GAS AND MINING
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, UT 84180-1203
2. STATE APPLICATION IDENTIFIER NUMBER:
(assigned by State Clearinghouse)
-
3. APPROXIMATE DATE PROJECT WILL START:
May 12, 1988
-
4. AREAWIDE CLEARING HOUSE(S) RECEIVING STATE ACTIONS:
(to be sent out by agency in block 1)
Southeastern Utah Association of Local Governments
-
5. TYPE OF ACTION: ☐ Lease ☒ Permit ☐ License ☐ Land Aquisition
☐ Land Sale ☐ Land Exchange ☐ Other_____
-
6. TITLE OF PROPOSED ACTION:
Application for Permit to Drill
-
7. DESCRIPTION:
E P Operating Co. proposes to drill a wildcat well, the Flatland Federal #1-10, on federal lease number U-41258 in San Juan County, Utah. This action is being presented to RDCC for consideration of resource issues affecting state interests. The U.S. Bureau of Land Management is the primary administrative agency in this case and must issue approval to drill jointly with DOGM before operations can commence.
-
8. LAND AFFECTED (site location map required) (indicate county)
SE/4, SW/4, Section 10, Township 37 South, Range 23 East, San Juan County, Utah
-
9. HAS THE LOCAL GOVERNMENT(S) BEEN CONTACTED?
Unknown
-
10. POSSIBLE SIGNIFICANT IMPACTS LIKELY TO OCCUR:
Degree of impact is based on the discovery of oil or gas in commercial quantities.
-
11. NAME AND PHONE NUMBER OF DISTRICT REPRESENTATIVE FROM YOUR AGENCY NEAR PROJECT SITE, IF APPLICABLE:
Chip Hutchinson, Moab, 259-8151
-
12. FOR FURTHER INFORMATION, CONTACT: 13. SIGNATURE AND TITLE OF AUTHORIZED OFFICIAL
John Baza
PHONE: 538-5340
DATE: 4-21-88
Petroleum Engineer
-

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

DESIGNATION OF OPERATOR

The undersigned is, on the records of the Bureau of Land Management, holder of lease

STATE OFFICE: Utah
SERIAL NO.: U-4 1258

and hereby designates

NAME: EP Operating Company
ADDRESS: 1700 Lincoln Street, Suite 3600
Denver, Colorado 80203

as his operator and local agent, with full authority to act in his behalf in complying with the terms of the lease and regulations applicable thereto and on whom the authorized officer may serve written or oral instructions in securing compliance with the Operating Regulations (43 CFR 3160) with respect to (describe acreage to which this designation is applicable):

Township 37 South - Range 23 East

Section 9: S $\frac{1}{2}$
Section 10: SW $\frac{1}{4}$

It is understood that this designation of operator does not relieve the lessee of responsibility for compliance with the terms of the lease and the Operating Regulations. It is also understood that this designation of operator does not constitute an assignment of any interest in the lease.

In case of default on the part of the designated operator, the lessee will make full and prompt compliance with all regulations, lease terms, or orders of the Secretary of the Interior or his representative.

The lessee agrees promptly to notify the authorized officer of any change in the designated operator.



(Signature of lessee)

Timothy R. Morris, Attorney-in-Fact
Petroleum, Inc.
1600 Broadway, Suite 500
Denver, Colorado 80202

(Address)

April 6, 1988

(Date)

This form does not constitute an information collection as defined by 44 U.S.C. 3502 and thereto does not require OMB approval.

LIST OF ATTACHMENTS

Conditions of Approval for Permit to Drill

- A. Drilling Program
- B. Thirteen Point Surface Use Plan

Minimum Blowout Preventer Requirements

Well Site Layout - Cuts and Fills

Topographic Maps - Directions to Location

Bonding

MOAB DISTRICT

CONDITIONS OF APPROVAL FOR PERMIT TO DRILL

COMPANY EP Operating Company WELL NAME Flatland Federal No. 1-10
LOCATION Section 10, T37S-R23E LEASE NO. U - 41258
ONSITE INSPECTION DATE 4-13-88

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas Orders, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

A. Drilling Program

1. Surface Formation and Estimated Formation Tops:

<u>Formation Name</u>	<u>Estimated Top</u>
Morrison	Surface
Chinle	2260'
Cutler	3150'
Hermosa	5050'
Ismay	6115'
Desert Creek	6370'
Akah	6470'
Paradox Salt	6500'

2. Expected Depth at Which Oil, Gas, Water or Other Mineral Bearing Zones are Expected to be Encountered:

	<u>Formation</u>	<u>Depth</u>
Expected Oil Zones:	Ismay	6115'
	Desert Creek	6370'

Expected Gas Zones: Gas could be produced from oil zones.

All fresh water and prospectively valuable minerals (as described by BLM at onsite) encountered during drilling will be recorded by depth, cased, and cemented. All oil and gas shows will be tested to determine commercial potential.

3. Pressure Control Equipment:

See Minimum Blowout Prevention Equipment attachment.

Working pressure of blowout prevention equipment will be a minimum of 3000 psi.

BOP systems will be consistent with API RP 53. Pressure tests will be conducted before drilling out from under all casing strings which are set and cemented in place. Blowout preventer controls will be installed prior to drilling the surface casing plug and will remain in use until the well is completed or abandoned. Preventers will be inspected and operated at least daily to ensure good mechanical working order, and this inspection recorded on the daily drilling report. Preventers will be pressure tested before drilling casing cement plugs. All BOP equipment will be tested to full working pressure with the exception of the annular preventer which will be tested to 50%.

4. Casing Program and Auxiliary Equipment:

CASING PROGRAM

<u>Size</u>	<u>Grade</u>	<u>Weight</u>	<u>Condition</u>	<u>Depth</u>	<u>Cement Top</u>
8-5/8"	K55	24#	New	0' - 2300'	Surface
5-1/2"	K55	15.5#	New	0' - 6600'	1000' of fill (to 5600')

Anticipated cement tops will be reported as to depth, not the expected number of sacks. Casing will be tested to 0.2 psi/ft or 1000 psi, whichever is greater.

AUXILIARY EQUIPMENT

- (a) A lower kelly cock will be kept in the string.
- (b) A full opening safety valve will be kept on the floor to be stabbed into the drill pipe when the kelly is not in the string.
- (c) A mud logging unit with gas detecting equipment will be used from from 4500 feet to total depth to monitor the mud system.

5. Mud Program and Circulating Medium:

<u>Depth Interval</u>	<u>Mud Type</u>	<u>Mud Weight (ppg)</u>	<u>Viscosity (sec./qt)</u>	<u>Water Loss (cc)</u>
0' - 2300'	Fresh Water Gel/Lime	8.6 - 9.0	32 - 40	NC
2300' - 4500'	Fresh Water Gel/Lime	8.6 - 9.2	36 - 40	NC
4500' - 6600'	Fresh Water/ Salt Water	9.0 - 11.0	36 - 45	8 - 15

Adequate stocks of sorptive agents and weighting materials will be onsite to handle any anticipated down-hole problems as well as possible spills of fuel and oil on the surface.

Bloolie will be misted to reduce fugative dust when air drilling.

6. Coring, Logging and Testing Program:

Coring: One core, 60 feet in length is anticipated in the Ismay from 6120 feet to 6180 feet.

Testing: Drill stem tests are anticipated for the Ismay and Desert Creek and will be run as shows dictate.

Logging: DIL/GR/SP	T.D. to base of surface casing
Sonic/GR/CAL	T.D. to base of surface casing
CN/CD/GR/CAL	T.D. to 4000'

6. Coring, Logging and Testing Program: - continued

Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted to the District Office not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4.1. Two copies of all logs, core descriptions, core analysis, well-test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the Moab District Manager.

7. Abnormal Conditions, Bottom Hole Pressure and Potential Hazards:

Anticipated Bottom Hole Pressure: +2000 psi

There have been no major potential hazards or abnormal conditions reported on area wells. Water flows have been encountered on some wells but have been easily controlled by increasing mud weights with either salt (NaCl) or barite. Both agents will be maintained in stock on location.

8. Anticipated Starting Dates and Notifications of Operations:

Required verbal notifications are summarized in Table I, attached. Written notification in the form of a Sundry Notice (Form 3160-5) will be submitted to the District Office within 24 hours after spudding. If the spudding is on a weekend or holiday, the Sundry will be submitted on the following regular work day.

In accordance with Onshore Oil and Gas order No. , this well will be reported on Form 3160-6, "Monthly Report of Operations", starting with the month in which operations begin and continuing each month until the well is physically plugged and abandoned. This report will be sent to the BLM, Moab District Office, P. O. Box 970, Moab, Utah 84532.

Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported to the Resource Area in accordance with requirements of NTL-3A.

Should the well be successfully completed for production, the District Manager will be notified when the well is placed in producing status. Such notification will be sent by telegram or other written communication, not later than 5 business days following the date on which the well is placed on production.

8. Anticipated Starting Dates and Notifications of Operations:
- continued

A first production conference will be scheduled within 15 days after receipt of the first production report. The Resource Area Office will coordinate the field conference.

A "Subsequent Report of Abandonment" (Form 3160-5) will be filed with the District Manager within 30 days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the Area Manager or his representative, or the appropriate surface managing agency.

Approval to vent/flare gas during initial well evaluation will be obtained from the District Office. This preliminary approval will not exceed 30 days or 50 MMCF gas. Approval to vent/flare beyond this initial test period will require District Office approval pursuant to guidelines in NTL-4A.

Upon completion of approved plugging, a regulation marker will be erected in accordance with 43 CFR 3162.6. The marker will be erected as follows: above ground pipe. The top of the marker will be closed or capped.

The following information will be permanently beaded-on with a welding torch: "Fed", "Well Number", location by 1/4 1/4 section, township and range. "Lease Number".

Other: Due to certain obligations it is necessary to spud this well by May 15, 1988. It is desired to begin construction operations as soon as possible.

B. THIRTEEN POINT SURFACE USE PLAN

1. Existing Roads: See Attached Map

- a. Proposed well is located 11.0 miles southeast of Blanding, Utah
- b. Route: Proceed 1.2 miles south of Blanding, Utah on Hwy 163. Turn east on an existing gravel road and follow 1.1 miles to County Road 206. Follow CR 206 6.5 miles south and east to the junction with CR 207. Turn north on CR 207 and follow 1.9 miles to the point the proposed access road exits to the east. Follow the access road 0.3 miles into the proposed drill site.
- c. Existing roads will be maintained in present condition.
- d. An encroachment permit will be obtained from the San Juan County Road Department.

2. Planned Access Roads: See Attached Map

- a. The maximum total disturbed width will be 30 feet (20 feet flat bladed) for 0.3 miles.
- b. Maximum grade: NA
- c. Turnouts: NA
- d. Location (centerline): Has been flagged.
- e. Drainage: NA for drilling.
- f. Surface Materials: Only native materials will be used.

Surface disturbance and vehicular travel will be limited to the approved location and approved access road. Any additional area needed will be approved in advance by the Area Manager.

The access road will be rehabilitated or brought to Resource (Class III) Road Standards within 60 days of dismantling of the drilling rig. If this time frame cannot be met, the Area Manager will be notified so that temporary drainage control can be installed along the access road.

3. Location of Existing Wells: 1 mile radius

Abandoned Well -

Well Name: Alkali Canyon No.2
Operator: Continental Oil Co.
Location: SW-NW Section 10, T37S-R23E

4. Location of Tank Batteries and Production Facilities:

All permanent (on site for 6 months or longer) structures constructed or installed (including pump jacks) will be painted a flat, nonreflective, earthtone color to match the standard environmental colors, as determined by the Rocky Mountain 5 State Interagency Committee. All facilities will be painted within 6 months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded. The color will be neutral to blend with soil or tree colors.

If a tank battery is constructed on this lease, it will be surrounded by a dike of sufficient capacity to contain 1-1/2 times the storage capacity of the battery.

All loading lines and valves will be placed inside the berm surrounding the tank battery.

All site security guidelines identified in 43 CFR 3162.7-4 regulations will be adhered to.

All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from the District Manager.

All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed.

Gas meter runs for each well will be located within 500 feet of the wellhead. The gas flowline will be buried from the wellhead to the meter and downstream for the remainder of the pad. Meter runs will be housed and/or fenced.

4. Location of Tank Batteries and Production Facilities - continued

The oil and gas measurement facilities will be installed on the well location. The oil and gas meters will be calibrated in place prior to any deliveries. Tests for meter accuracy will be conducted monthly for the first 3 months on new meter installations and at least quarterly thereafter. The Area Manager will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the Resource Area Office. All meter measurement facilities will conform with the API standards for liquid hydrocarbons and the AGA standard for natural gas measurement.

5. Location and Type of Water Supply:

All water need for drilling purposes will be obtained from private sources.

The water source to be used to drill this well is Gore's Pond located North 531' & West 1810' from the west quarter corner in Section 1, T38S-R24E, San Juan County. Water users claim number: 09-156; application number 23462; certificate number 7854.

6. Source of Construction Material:

Pad Construction material will be obtained from native materials.

The use of materials under BLM jurisdiction will conform to 43 CFR 3610.1-3. Construction material will be located on lease.

7. Methods of Handling Waste Disposal:

The reserve pit will not be lined. At least half of the capacity will be in cut.

Three sides of the reserve pit will be fenced with four strands of barbed wire before drilling starts. The fourth side will be fenced as soon as the drilling is completed. The fence will be kept in good repair while the pit is drying.

A trash pit will be constructed near the mud tanks and dug at least six feet into solid undisturbed material. It will be totally enclosed with a fine wire mesh before the rig moves in. The road and pad will be kept litter free.

A burning permit will be obtained from the San Juan County Sheriff (801) 587-2237 if trash burning is to occur between May 1 and October 31.

Produced waste water will be confined to an unlined pit for a period not to exceed 90 days after initial production. During the 90 day period an application for approval of a permanent disposal method and location, along with the required water analysis, will be submitted for the District Manager's approval pursuant to Onshore Oil and Gas Order No. 3 (NTL-2B).

8. Ancillary Facilities:

Camp facilities will not be required. Temporary trailers will be moved on to house the tool pusher, company personnel and the mud logger.

9. Well Site Layout: See Attached Layout

The reserve pit will be located on the west side.

The top 6 inches of soil material will be removed from the location and stockpiled separate from the trees and brush on the southeast side. Topsoil along the access will be reserved in place.

Access to the well pad will be from the south.

The trash pit will be located along the south edge of the reserve pit.

10. Reclamation:

Immediately on completion of drilling, all trash and debris will be collected from the location and surrounding area. All trash and debris will be disposed of in the trash pit and will then be compacted and buried under a minimum of two feet of compacted soil.

Before any dirt work to restore the location takes place, the reserve pit must be completely dry.

All disturbed areas will be recontoured to the approximate natural contours.

The stockpiled topsoil will be spread evenly over the disturbed area.

Prior to reseeding, all disturbed areas, including the access roads, will be scarified and left with a rough surface. These areas will be ripped to a depth of 6 inches with rips being 18 inches apart.

Seeding will be broadcast between October 1 and February 28 with the following prescription:

10 lbs/acre Crested Wheat Grass

1/2 lbs/acre Yellow Sweet Clover

After seeding is complete, the stockpiled trees will be scattered evenly over the disturbed areas. The access will be blocked to prevent vehicular access.

10. Reclamation: - continued

The reserve pit and that portion of the location and access road not needed for production or production facilities will be reclaimed as described in the reclamation section. Enough topsoil will be kept to reclaim the remainder of the location at a future date. This remaining stockpile of topsoil will be seeded in place using the prescribed seed mixture.

11. Surface and Mineral Ownership:

Surface Ownership: Bureau of Land Management

Mineral Ownership: Federal

12. Other Information:

A cultural resource survey was conducted and clearance has been granted. The survey report will be submitted to the BLM.

There will be no deviation from the proposed drilling and/or workover program without prior approval from the District Manager. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned, will be identified in accordance with 43 CFR 3162.3-2.

"Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162.3-2.

The dirt contractor will be provided with an approved copy of the surface use plan.

All persons in the area who are associated with the project will be informed by the operator that they will be subject to prosecution for disturbing archaeological sites or collecting artifacts. If subsurface cultural material is exposed during construction, work at that spot will stop immediately and the BLM, San Juan Resource Area Office will be contacted at (801)587-2141. The Operator will be responsible for the cost of evaluation of the discovery and proper mitigation measures. Any decision as to proper mitigation shall be made by the authorized officer after consulting with the operator.

This permit will be valid for a period of one (1) year from the date of approval. After permit termination, a new application will be filed for approval for any future operations.

If at any time the facilities located on public lands authorized by the terms of the lease are no longer included in the lease (due to a contraction in the unit or other lease or unit boundary change) the BLM will process a change in authorization to the appropriate statute. The authorization will be subject to appropriate rental, or other financial obligation determined by the authorized officer.

13. Lessee's or Operator's Representative and Certification:

Representatives

Name: Jack L. Sledge
Regional Drilling Manager

Bob G. Vick
Regional Drilling Superintendent

M.E. (Dusty) Kinchen
Senior Drilling Engineer

Address: 7800 Stemmons Frwy - Ste. 500
Dallas, TX 75247

Phone No. (214) 630-8711

Certification:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route, that I am familiar with the conditions which currently exist, that the statements made in this plan are, to the best of my knowledge, true and correct, and that the work associated with operations proposed herein will be performed by: EP OPERATING COMPANY and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

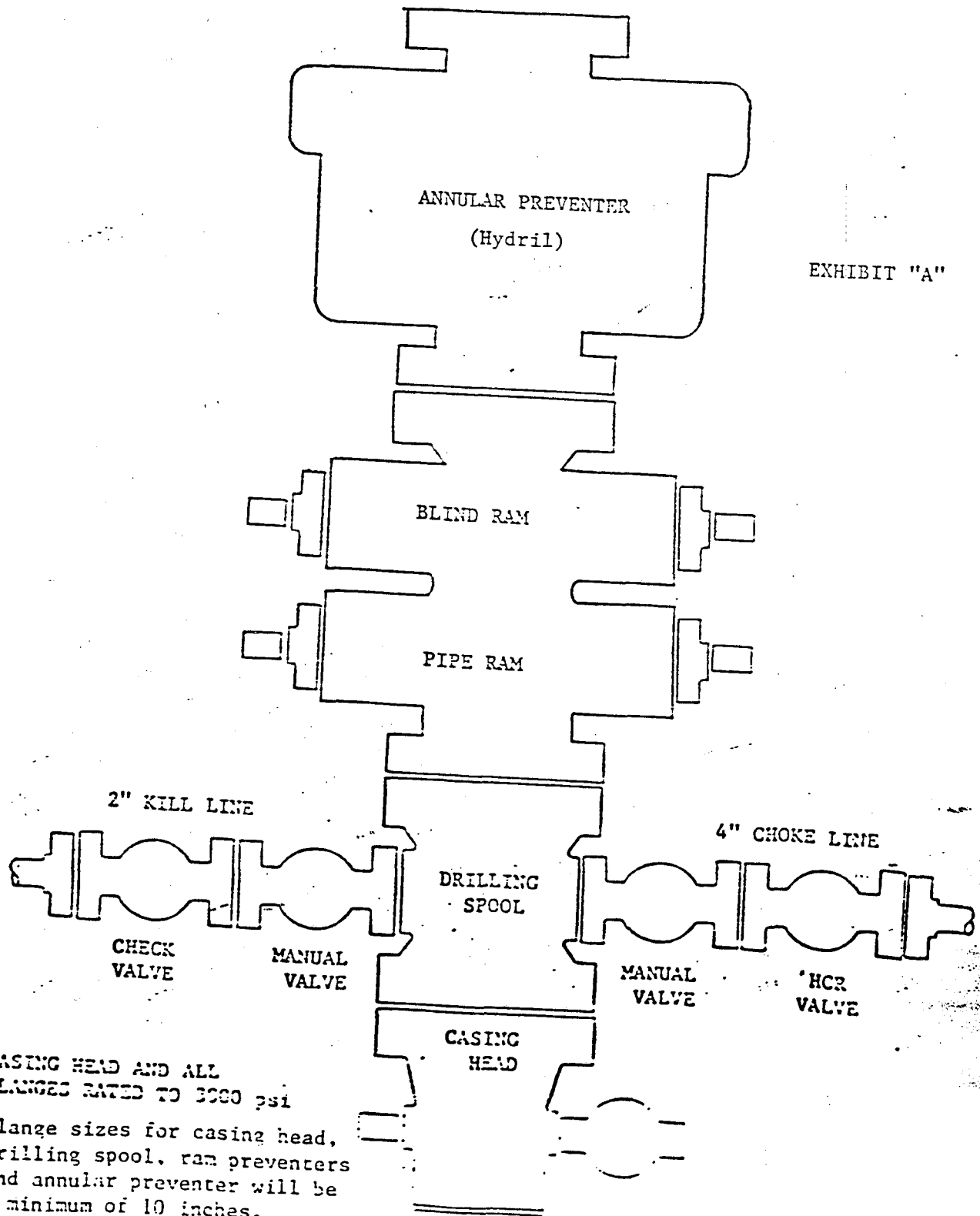
Name


Jack L. Sledge

Title Regional Drilling Manager,
for EP Operating Company,
a limited partnership by
Enserch Exploration, Inc.
Managing General Partner

Date April 15, 1988

ENSERCH EXPLORATION, INC
MINIMUM REQUIREMENTS FOR BLOW-OUT PREVENTION EQUIPMENT
3000 psi W. P.



MINIMAL REQUIREMENTS FOR CHOKE MANIFOLD

3000 psi W. P.

EXHIBIT "A" Continued

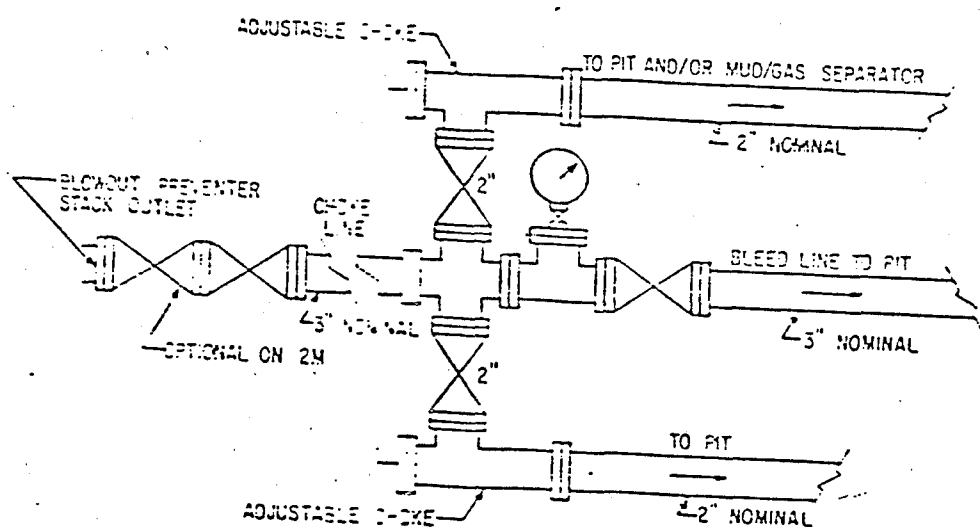
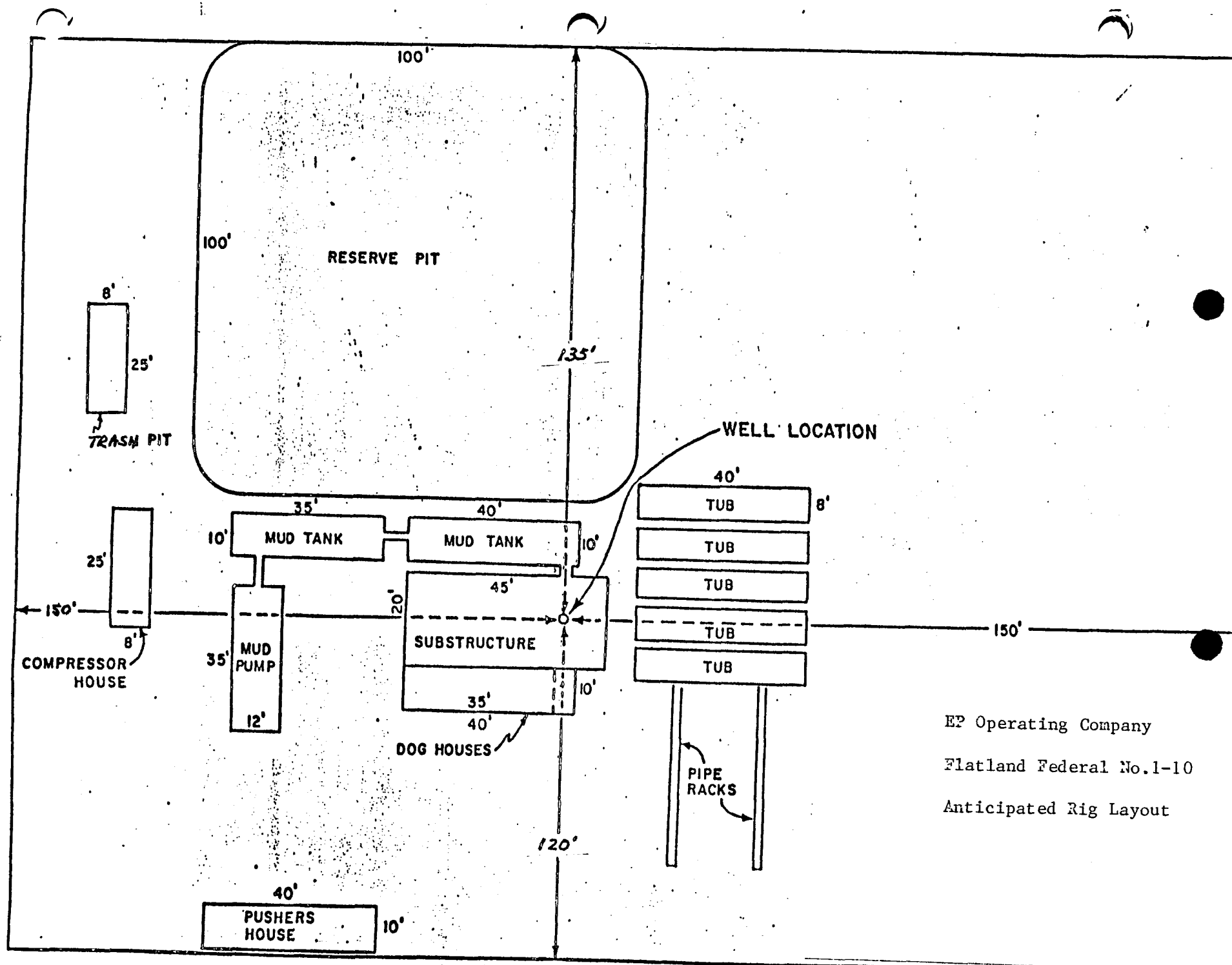


FIG. 3.A.1
TYPICAL CHOKE MANIFOLD ASSEMBLY
FOR 2M AND 2M RATED WORKING
PRESSURE SERVICE - SURFACE INSTALLATION



EP Operating Company
Flatland Federal No.1-10
Anticipated Rig Layout

BONDING

EP Operating Company, holds a nationwide oil and gas bond in the amount of \$150,000 filed with the United States Department of the Interior, Bureau of Land Management.

BOND NUMBER: MKO 2883958

ISSUED: May 16, 1985

OPERATOR E P Operating Company DATE 4-20-88

WELL NAME Flatland Federal 1-10

SEC SE SW 10 T 37S R 23E COUNTY San Juan

43-037-31416
API NUMBER

Fed.
TYPE OF LEASE

CHECK OFF:

☒ PLAT

☒ BOND

☒ NEAREST WELL

☒ LEASE

☒ FIELD

☒ POTASH OR OIL SHALE

PROCESSING COMMENTS:

no other well within 920'
water permit ok 09-156 / 23462
Exc. 10C requested
CONFIDENTIAL PERIOD EXPIRED
ON 4-14-89

APPROVAL LETTER:

SPACING: ☐ R615-2-3 UNIT ☐ R615-3-2
☐ CAUSE NO. & DATE ☒ R615-3-3

STIPULATIONS:



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

Norman H. Bangerter, Governor
Dee C. Hansen, Executive Director
Dianne R. Nielson, Ph.D., Division Director

355 W. North Temple • 3 Triad Center • Suite 350 • Salt Lake City, UT 84180-1203 • 801-538-5340

May 6, 1988

E P Operating Company
7800 Stemmons Freeway, Suite 500
Dallas, Texas 75247

Gentlemen:

Re: Flatland Federal 1-10 - SE SW Sec. 10, T. 37S, R. 23E
1100' FSL, 1375' FWL - San Juan County, Utah

Approval to drill the referenced well is hereby granted in accordance with Rule R615-3-3, Oil and Gas Conservation General Rules.

In addition, the following actions are necessary to fully comply with this approval:

1. Spudding notification within 24 hours after drilling operations commence.
2. Submittal of an Entity Action Form within five working days following spudding and whenever a change in operations or interests necessitates an entity status change.
3. Submittal of the Report of Water Encountered During Drilling, Form OGC-8-X.
4. Prompt notification if it is necessary to plug and abandon the well. Notify John R. Baza, Petroleum Engineer, (Office) (801) 538-5340, (Home) 298-7695, or Jim Thompson, Lead Inspector, (Home) 298-9318.
5. Compliance with the requirements of Rule R615-3-22, Gas Flaring or Venting, Oil and Gas Conservation General Rules.
6. Prior to commencement of the proposed drilling operations, plans for facilities for disposal of sanitary wastes at the drill site shall be submitted to the local health department. These drilling operations and any subsequent well operations must be conducted in accordance with applicable state and local health department regulations.

Page 2
E P Operating Company
Flatland Federal 1-10
May 6, 1988

A list of local health departments and copies of applicable regulations are available from the Division of Environmental Health, Bureau of General Sanitation, telephone (801) 538-6121.

7. This approval shall expire one (1) year after date of issuance unless substantial and continuous operation is underway or an application for an extension is made prior to the approval expiration date.

The API number assigned to this well is 43-037-31416.

Sincerely,



R. J. Firth
Associate Director, Oil & Gas

lr
Enclosures
cc: Branch of Fluid Minerals
D. R. Nielson
8159T

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☒

PLUG BACK ☐

b. TYPE OF WELL

OIL
WELL ☒

GAS
WELL ☐

OTHER

SINGLE
ZONE ☒

MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

E P Operating Company

DIVISION OF
OIL, GAS & MINING

3. ADDRESS OF OPERATOR

7800 Stemmons Frwy., Ste. 500, Dallas, Texas 75247

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*

At surface

1100' FSL & 1375' FWL (SE-SW)

At proposed prod. zone

Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

11 miles SE of Blanding, Utah

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any)

1100'

16. NO. OF ACRES IN LEASE

480

17. NO. OF ACRES ASSIGNED
TO THIS WELL

40

18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

NA

19. PROPOSED DEPTH

6,600'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

5873' GR

22. APPROX. DATE WORK WILL START*

May 12, 1988

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8"	24#	2300'	Circulate to surface.
7-7/8"	5-1/2"	15.5#	6600'	1000' of fill - top 5600'

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED

JACK E. SLEDGE

TITLE Regional Drilling Manager

DATE 4-15-88

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY /s/ A. Lynn Jackson

TITLE Acting District Manager

DATE 5/5/88

CONDITIONS OF APPROVAL, IF ANY:

CONDITIONS OF APPROVAL ATTACHED

*See Instructions On Reverse Side

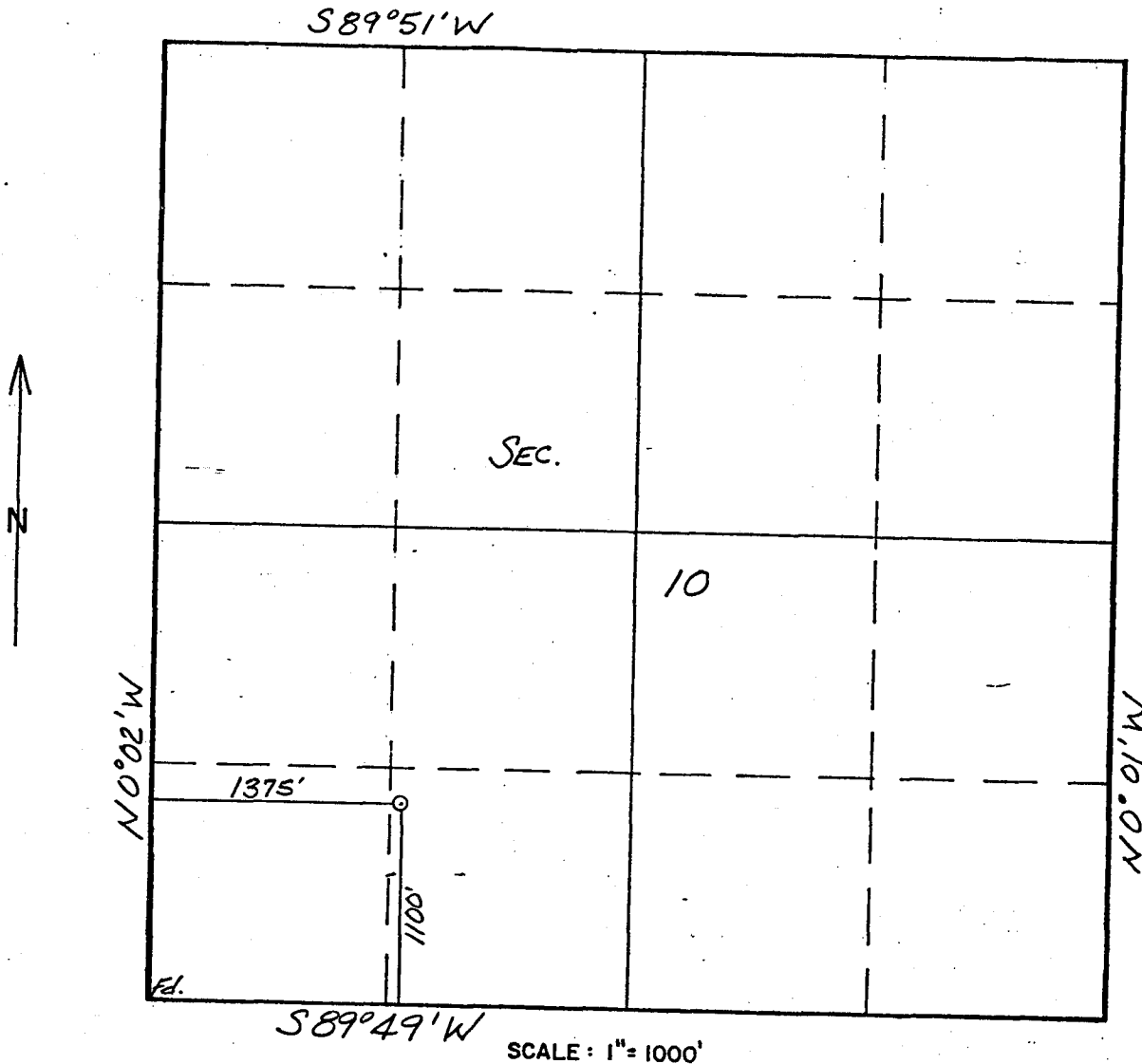
FLARING OR VENTING OF
GAS IS SUBJECT TO NTL 4-A
DATED 1/1/80

STATE OF UTAH

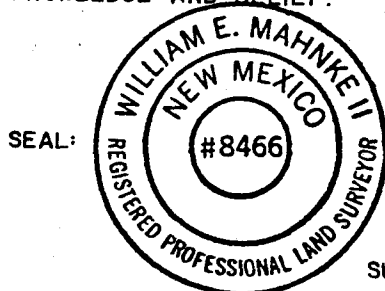
Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

DOG-m

COMPANY E P OPERATING COMPANY
LEASE FLATLAND FEDERAL WELL NO. 1-10
SEC. 10, T. 37 S, R. 23 E
COUNTY San Juan STATE Utah
LOCATION 1100'FSL & 1375'FWL
ELEVATION 5873

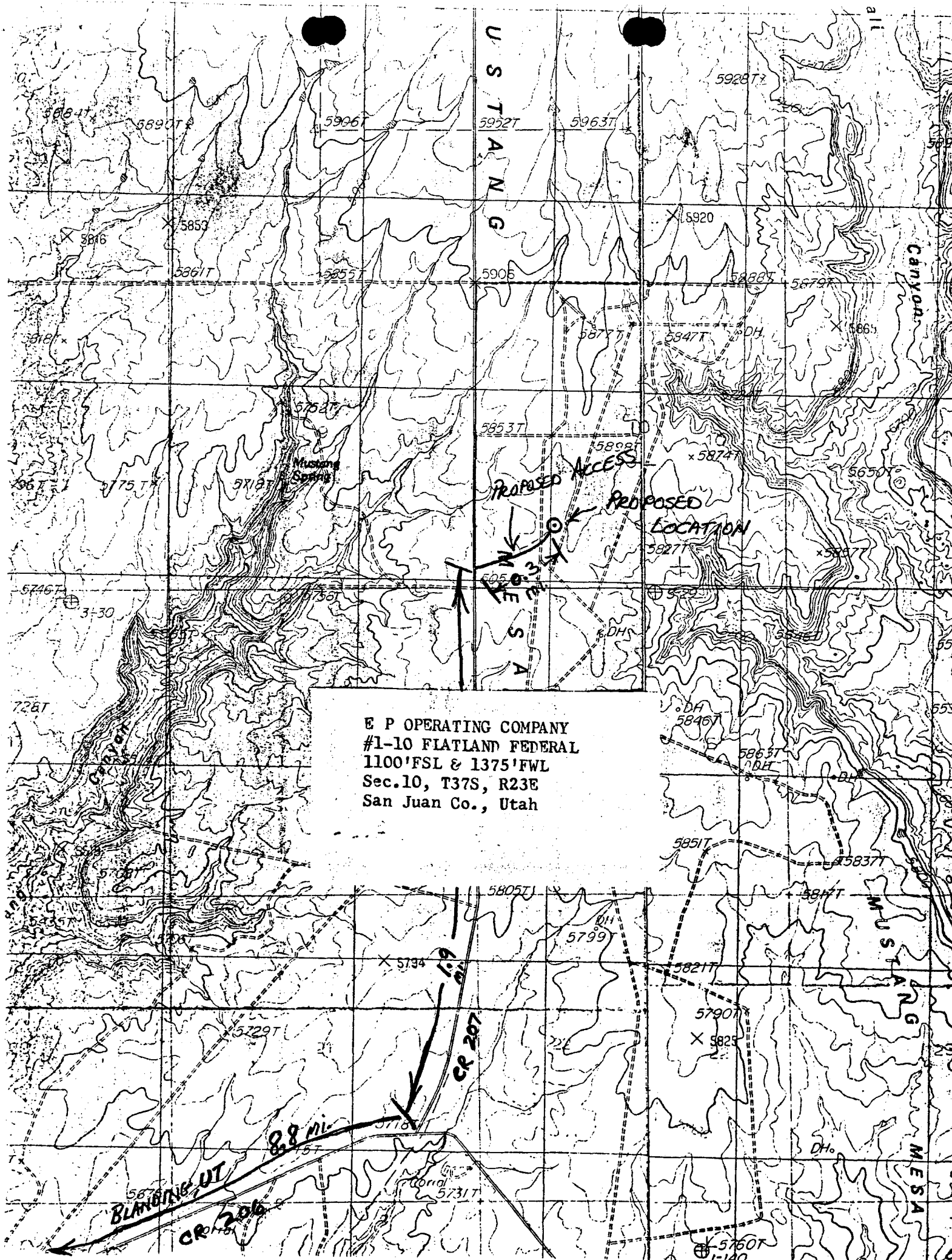


THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.



William E. Mahnke II
WILLIAM E. MAHNKE II
NEW MEXICO P.L.S. Nº 8466

SURVEYED MAR. 31, 1988



E P OPERATING COMPANY
#1-10 FLATLAND FEDERAL
1100' FSL & 1375' FWL
Sec. 10, T37S, R23E
San Juan Co., Utah

BLANKING UT

2.8 mi.

CR 207

CR 206

U S T A N G

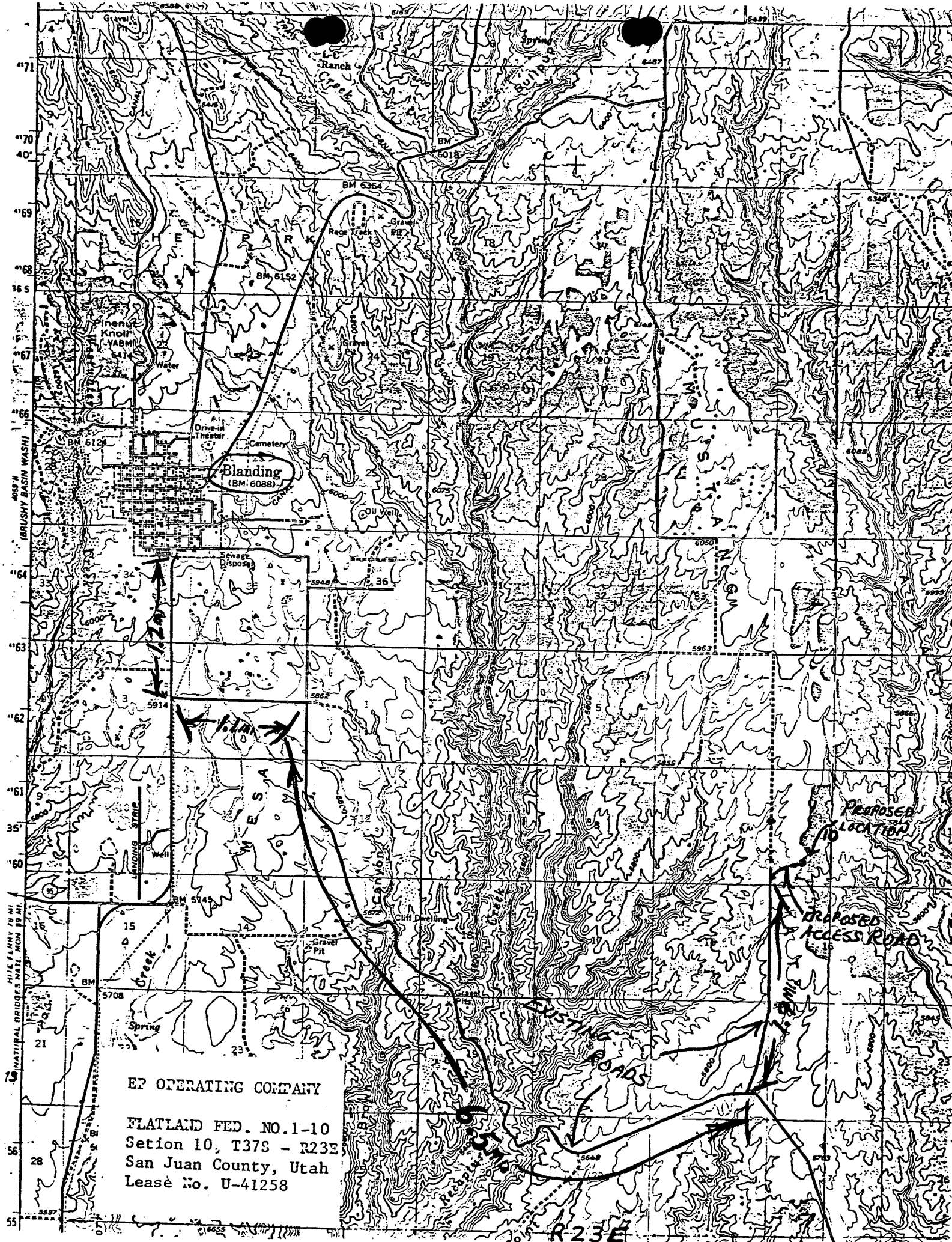
CANYON

M U S T A N G

M E S A

EP OPERATING COMPANY

FLATLAND FED. NO.1-10
Setion 10, T37S - R23E
San Juan County, Utah
Lease No. U-41258



EP Operating Company
Well No. Flatland Federal 1-10
Sec. 10, T. 37 S., R. 23 E.
San Juan County, Utah
Lease U-41258

CONDITIONS OF APPROVAL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

EP Operating Company is the bonded entity on this application. Liability will remain with the bonded party named until we are formally notified by letter of the new bonded entity in reference to this Application for Permit to Drill.

B. THIRTEEN-POINT SURFACE USE PLAN

1. If the well is drilled or produced between November 1 through May 31, a cattleguard will be installed in the fence along the Mustang Mesa road.

NOTIFICATIONS

Notify the San Juan Resource Area, at (801) 587-2141 for the following:

2 days prior to commencement of dirt work, construction or reclamation;

1 day prior to spudding;

Notify the Moab District Office, Branch of Fluid Minerals at (801) 259-6111 for the following:

No well abandonment operations will be commenced without the prior approval of the District Manager. In the case of newly drilled dry holes, and in emergency situations, verbal approval can be obtained by calling the following individuals, in the order listed:

Dale Manchester, Petroleum Engineer Office Phone: (801) 259-6111

Home Phone: (801) 259-6239

Lynn Jackson, Chief, Branch of Fluid Minerals

Office Phone: (801) 259-6111

Home Phone: (801) 259-7990

Paul Brown, I&E Coordinator

Office Phone: (801) 259-6111

Home Phone: (801) 259-7018

24 hours advance notice is required for all abandonments.

SOUTHEASTERN UTAH ASSOCIATION OF LOCAL GOVERNMENTS

JIMMIE WALKER
Chairman

WILLIAM D. HODGINS
Executive Director

Utah 84501 Telephone 637-5444

RECEIVED
MAY 27 1988

**DIVISION OF
OIL, GAS & MINING**

AREAWIDE CLEARINGHOUSE A-95 REVIEW

NOI ___ Preapp ___ App ___ State Plan ___ State Action X Subdivision ___ (ASP # 5-427-1)

Other (indicate) _____ SAI Number UT880427-020

Applicant (Address, Phone Number):

Federal Funds:

Requested: _____

Oil, Gas and Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

Title:

APPLICATION FOR PERMIT TO DRILL

ED Oper Co.

Flatland Fed. #1-10

10 - BTS - 23E

San Juan Co

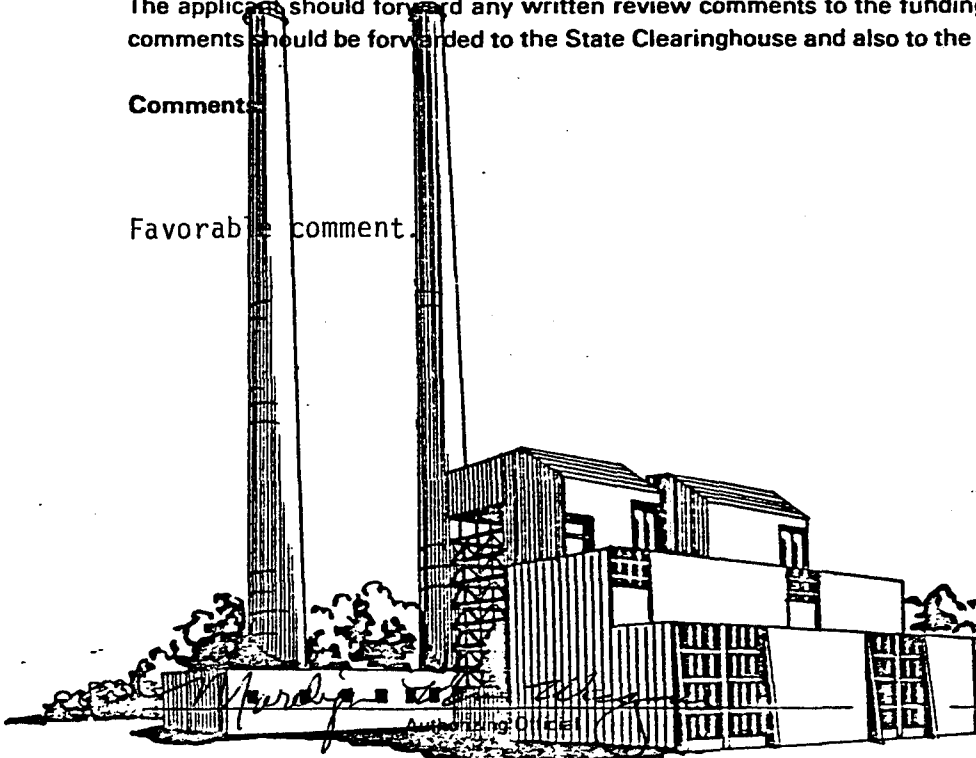
Dr. 43-037-31416

- ☐ No comment
☒ See comments below
☐ No action taken because of insufficient information
☐ Please send your formal application to us for review. Your attendance is requested ☐

The applicant should forward any written review comments to the funding agency. Any written response to those comments should be forwarded to the State Clearinghouse and also to the funding agency.

Comments:

Favorable comment:



5-25-88

Date

REGIONAL CLEARINGHOUSE

DIVISION OF OIL, GAS AND MINING

WATER PERMIT OK

SPUDDING INFORMATION

API NO. 43-037-31416

NAME OF COMPANY: E. P. OPERATING

WELL NAME: FLATLAND FED. 1-10

SECTION SESW 10 TOWNSHIP 37S RANGE 23E COUNTY SAN JUAN

DRILLING CONTRACTOR EXETER

RIG # 68

SPUDDED: DATE 5/29/88

TIME 7:00 p.m.

How ROTARY

DRILLING WILL COMMENCE

REPORTED BY DAVID WILSON

TELEPHONE #

DATE 6/1/88 SIGNED AS

RECEIVED
JUN 8 1988

ENTITY ACTION FORM - DOGM FORM 6

DIVISION OF
OIL, GAS & MINING

OPERATOR EP Operating Company
ADDRESS 7800 Stemmons - Ste.500
Dallas, TX 75247

OPERATOR CODE NO400
PHONE NO. 214, 630-8711

OPERATORS MUST COMPLETE FORM UPON SPUDDING NEW WELL OR WHEN CHANGE IN OPERATIONS OR INTERESTS NECESSITATES CHANGE IN EXISTING ENTITY NUMBER ASSIGNMENT.

ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	API NUMBER	WELL NAME	WELL LOCATION					SPUD DATE	EFFECTIVE DATE
					QQ	SC	TP	RG	COUNTY		
A	99999	10875	43-037-31416	Flatland Federal No.1-10	SESW	10	37S	23E	San Juan	5-29-88	
COMMENTS: Federal lease Field - Wildcat PRDX - Formation (one other well in sec. field is undesignated) Not in a Unit Assign new entity number 6/9/88.											
COMMENTS:											
COMMENTS:											
COMMENTS:											
COMMENTS:											

ACTION CODES: A - ESTABLISH NEW ENTITY FOR NEW WELL (SINGLE WELL ONLY)
 B - ADD NEW WELL TO EXISTING ENTITY (GROUP OR UNIT WELL)
 C - RE-ASSIGN WELL FROM ONE EXISTING ENTITY TO ANOTHER EXISTING ENTITY
 D - RE-ASSIGN WELL FROM ONE EXISTING ENTITY TO A NEW ENTITY
 E - OTHER (EXPLAIN IN COMMENTS SECTION)
 (SEE INSTRUCTIONS ON BACK OF FORM)

M.E. Kinchen
SIGNATURE M.E. Kinchen
Senior Drilling Eng. 6-6-88
TITLE DATE



FOR INVOICE AND
TICKET NO. _____

707101

CHARGE TO

No. **B 545735**

FORM 1911-R5 REV. 9-81

EXTRA COPY

FORM 1906 R-11

WELL NO. - FARM OR LEASE NAME 1-10 FLAT LANDS FEDERAL		COUNTY SAN JUAN	STATE UT.	CITY / OFFSHORE LOCATION	DATE 6-13-88
CHARGE TO E & P OPERATING		OWNER E & P OPERATING		TICKET TYPE (CHECK ONE) SERVICE <input checked="" type="checkbox"/> SALES <input type="checkbox"/>	
ADDRESS		CONTRACTOR E & P 65		LOCATION 1 CORP 17	
CITY, STATE, ZIP		SHIPPED VIA HONOLULU		LOCATION 2	
WELL TYPE OIL		WELL CATEGORY ABANDONED		WELL PERMIT NO. B-545735	
TYPE AND PURPOSE OF JOB 115 PLUS TO ABANDON		DELIVERED TO LBS.		ORDER NO.	
				FREIGHT CHARGES <input type="checkbox"/> PPD <input type="checkbox"/> COLLECT	
				LOCATION 3	
				REFERRAL LOCATION	

As consideration, the above-named Customer agrees to pay Halliburton in accord with the rates and terms stated in Halliburton's current price lists. Invoices payable NET by the 20th of the following month after date of invoice. Upon Customer's default in payment of Customer's account by the last day of the month following the month in which the invoice is listed, Customer agrees to pay interest thereon after default at the highest lawful contract rate applicable, but never to exceed 18% per annum. In the event it becomes necessary to employ an attorney to enforce collection of said account, Customer agrees to pay all collection costs and attorney's fees in the amount of 20% of the amount of the unpaid account. These terms and conditions shall be governed by the law of the state where services are performed or equipment or materials are furnished.

Halliburton warrants only title to the products, supplies and materials and that the same are free from defects in workmanship and materials. THERE ARE NO WARRANTIES, EXPRESS OR IMPLIED, OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR OTHERWISE WHICH EXTEND BEYOND THOSE STATED IN THE IMMEDIATELY PRECEDING SENTENCE. Halliburton's liability and customer's exclusive remedy in any case of action (whether in contract, tort, product liability, breach of warranty or otherwise) arising out of the sale or use of any products, supplies or materials is expressly limited to the replacement of defective goods or the return to Halliburton or, at Halliburton's option, to the allowance to the customer of credit for the cost of such items. In no event shall Halliburton be liable for special, incidental, indirect, punitive or consequential damages.

[illegible]

AS PER ATTACHED BULK MATERIAL DELIVERY TICKET NO.

B- 545735

WAS JOB SATISFACTORILY COMPLETED?

WAS OPERATION OF EQUIPMENT SATISFACTORY?

WAS PERFORMANCE OF PERSONNEL SATISFACTORY?

X Robert D. ...
CUSTOMER OR HIS AGENT (PLEASE PRINT)

X [Signature]
CUSTOMER OR HIS AGENT (SIGNATURE)

WE CERTIFY THAT THE FAIR LABOR STANDARDS ACT OF 1938, AS AMENDED HAS BEEN COMPLIED WITH IN THE PRODUCTION OF GOODS AND OR WITH RESPECT TO SERVICES FURNISHED UNDER THIS CONTRACT.

D. MARKS

HALLIBURTON OPERATOR

**HALLIBURTON
APPROVAL**

CUSTOMER

SUB
TOTAL

APPLICABLE TAXES V
BE ADDED ON INVOIC

CUSTOMER COPY

INVOICE
INVOICEHALLIBURTON
SERVICESP.O. BOX 651046
DALLAS, TX 75265INVOICE NO. 707101
DATE 06/13/19

A DIVISION OF HALLIBURTON COMPANY

WELL LEASE NO.		WELL LOCATION		STATE	WELL OWNER
FLAT LANDS FEDERAL 1-10		SAN JUAN		UT	SAME
SERVICE LOCATION	CONTRACTOR	JOB PURPOSE		TICKET DATE	
CORTEZ CO.	EXETER 68	PLUG TO ABANDON		06/13/19	
ACCT. NO.	CUSTOMER AGENT	VENDOR NO.	CUSTOMER P.O. NUMBER	SHIPPED VIA	FIL
275562	ROBERT DUTTON			COMPANY TRUCK	605

E P OPERATING
7800 STEMMONS FREEWAY
SUITE 500
DALLAS, TX 75247

DIRECT CORRESPONDENCE TO:
DRAWER 1889
SUITE 400
EMPIRE PLAZA BUILDING
MIDLAND, TX 79702

PRICE REF. NO.	DESCRIPTION	QUANTITY	U/M	UNIT PRICE	AMOUNT
R000-117	MILEAGE	75	MI	2.15	161.25
		1	UNT		
R019-000	PICKUP MILEAGE	75	MI	.90	67.50
		1	UNT		
R009-019	PLUG-BACK / SPOT CEMENT OR MUD	6170	FT	1,794.00	1,794.00
		1	UNT		
504-043	STANDARD CEMENT	166	SK	7.50	1,245.00
500-207	BULK SERVICE CHARGE	166	CFT	.95	157.70
500-314	MILEAGE	585.15	TMI	.75	438.86
INVOICE SUBTOTAL					3,864.31
*-UTAH STATE SALES TAX					93.81
*-SAN JUAN COUNTY SALES TAX					16.69
INVOICE TOTAL - PLEASE PAY THIS AMOUNT					\$3,974.81

AFFIX JOB TKT

TERMS INVOICES PAYABLE NET BY THE 20TH OF THE FOLLOWING MONTH AFTER DATE OF INVOICE. UPON CUSTOMER'S DEFAULT IN PAYMENT OF CUSTOMER'S ACCOUNT BY THE LAST DAY OF THE MONTH FOLLOWING THE MONTH IN WHICH THE INVOICE IS DATED, CUSTOMER AGREES TO PAY INTEREST THEREON AFTER DEFAULT AT THE HIGHEST LAWFUL CONTRACT RATE APPLICABLE BUT NEVER TO EXCEED 18% PER ANNUM IN THE EVENT IT BECOMES NECESSARY TO EMPLOY AN ATTORNEY TO ENFORCE COLLECTION OF SAID ACCOUNT, CUSTOMER AGREES TO PAY ALL COLLECTION COSTS AND ATTORNEY FEES IN THE AMOUNT OF 20% OF THE AMOUNT OF THE UNPAID ACCOUNT.

FORM 1900 - R1

PAGE 1

**WORK ORDER CONTRACT
AND PRE-TREATMENT DATA**
ATTACH TO
INVOICE & TICKET NO. 707101DISTRICT Cross, Co.DATE 6-13-88TO: **HALLIBURTON SERVICES**

YOU ARE HEREBY REQUESTED TO FURNISH EQUIPMENT AND SERVICEMEN TO DELIVER AND OPERATE

THE SAME AS AN INDEPENDENT CONTRACTOR TO: STP OPERATING

(CUSTOMER)

AND DELIVER AND SELL PRODUCTS, SUPPLIES, AND MATERIALS FOR THE PURPOSE OF SERVICING

WELL NO. 1-10 LEASE FLATLANDS FEDERAL SEC. 10 TWP. 37S RANGE 23EFIELD WILDCAT COUNTY SAN JUAN STATE UT. OWNED BY STP OPERATING

THE FOLLOWING INFORMATION WAS FURNISHED BY THE CUSTOMER OR HIS AGENT

FORMATION NAME	TYPE	NEW USED	WEIGHT	SIZE	FROM	TO	MAX. ALLOW P.S.I.
FORMATION THICKNESS	FROM TO						
PACKER: TYPE	SET AT						
TOTAL DEPTH <u>6512</u>	MUD WEIGHT <u>9.4</u>						
BORE HOLE <u>7 7/8</u>							
INITIAL PROD: OIL BPD, H ₂ O BPD, GAS MCF							
PRESENT PROD: OIL BPD, H ₂ O BPD, GAS MCF							
CASING		<u>11</u>	<u>24</u>	<u>5 1/2</u>	<u>10</u>	<u>2298</u>	
LINER							
TUBING		<u>11</u>	<u>16.20</u>	<u>4 1/2</u>	<u>4.5</u>	<u>6170</u>	<u>1500</u>
OPEN HOLE							SHOTS/FT.
PERFORATIONS							
PERFORATIONS							
PERFORATIONS							

PREVIOUS TREATMENT: DATE TYPE MATERIALS

TREATMENT INSTRUCTIONS: TREAT THRU TUBING ☒ ANNULUS ☐ CASING ☐ TUBING/ANNULUS ☐ HYDRAULIC HORSEPOWER ORDEREDPLUS TO ABANDON

CUSTOMER OR HIS AGENT WARRANTS THE WELL IS IN PROPER CONDITION TO RECEIVE THE PRODUCTS, SUPPLIES, MATERIALS, AND SERVICES

As consideration, the above-named Customer agrees:

THIS CONTRACT MUST BE SIGNED BEFORE WORK IS COMMENCED

- To pay Halliburton in accord with the rates and terms stated in Halliburton's current price lists.
- Halliburton shall not be responsible for and Customer shall secure Halliburton against any liability for damage to property of Customer and of the well owner (if different from Customer), unless caused by the willful misconduct or gross negligence of Halliburton; this provision applying to but not limited to subsurface damage and surface damage arising from subsurface damage.
- Customer shall be responsible for and secure Halliburton against any liability for reservoir loss or damage, or property damage resulting from subsurface pressure, losing control of the well and well blowout, unless such loss or damage is caused by the willful misconduct or gross negligence of Halliburton.
- Customer shall be responsible for and secure Halliburton against any and all liability of whatsoever nature for damages as a result of subsurface trespass, or an action in the nature thereof, arising from a service operation performed by Halliburton hereunder.
- Customer shall be responsible for and secure Halliburton against any liability for injury to or death of persons, other than employees of Halliburton, or damage to property (including, but not limited to injury to the well), or any damages whatsoever, irrespective of cause, growing out of or in any way connected with the use of radioactive material in the well hole, unless such damage shall be caused by the willful misconduct or gross negligence of Halliburton.
- Halliburton makes no guarantee of the effectiveness of the products, supplies or materials, nor of the results of any treatment or service.
- Customer shall, at its risk and expense, attempt to recover any Halliburton equipment, tools or instruments which are lost in the well and if such equipment, tools or instruments are not recovered, Customer shall pay Halliburton its replacement cost unless such loss is due to the sole negligence of Halliburton. If Halliburton equipment, tools or instruments are damaged in the well, Customer shall pay Halliburton the lesser of its replacement cost or the cost of repairs unless such damage is caused by the sole negligence of Halliburton. In the case of equipment, tools or instruments for marine operations, Customer shall, in addition to the foregoing, be fully responsible for loss of or damage to any of Halliburton's equipment, tools or instruments which occurs at any time after delivery to Customer and the landing until returned to the landing, unless such loss or damage is caused by the sole negligence of Halliburton.
- Because of the uncertainty of variable well conditions and the necessity of relying on facts and supporting services furnished by others, Halliburton is unable to guarantee the accuracy of any interpretation, research analysis, job recommendation or other data furnished by Halliburton. Halliburton personnel will use their best efforts in gathering such information and their best judgment in interpreting it, but Customer agrees that Halliburton shall not be responsible for any damages arising from the use of such information except where due to Halliburton's gross negligence or willful misconduct in the preparation or furnishing of it.
- Halliburton warrants only title to the products, supplies and materials and that the same are free from defects in workmanship and materials. THERE ARE NO WARRANTIES, EXPRESS OR IMPLIED, MERCHANTABILITY, FITNESS OR OTHERWISE WHICH EXTEND BEYOND THOSE STATED IN THE IMMEDIATELY PRECEDING SENTENCE. Halliburton's liability and Customer's exclusion of liability for products, supplies or materials on their return to Halliburton or, at Halliburton's option, to the allowance to the Customer of credit for the cost of such items. In no event shall Halliburton be liable for special, incidental, indirect, punitive or consequential damages.
- Invoices payable NET by the 20th of the following month after date of invoice. Upon Customer's default in payment of Customer's account by the last day of the month following the month in which invoice is dated, Customer agrees to pay interest thereon after default at the highest lawful contract rate applicable but never to exceed 18% per annum. In the event it becomes necessary to employ attorney to enforce collection of said account, Customer agrees to pay all collection costs and attorney fees in the amount of 20% of the amount of the unpaid account.
- This contract shall be governed by the law of the state where services are performed or equipment or materials are furnished.
- Halliburton shall not be bound by any changes or modifications in this contract, except where such change or modification is made in writing by a duly authorized executive officer of Halliburton.

I HAVE READ AND UNDERSTAND THIS CONTRACT AND REPRESENT
THAT I AM AUTHORIZED TO SIGN THE SAME AS CUSTOMER'S AGENT.SIGNED [Signature] CUSTOMERDATE 6-13-88TIME 10:30 AM A.M. P.M.

We certify that the Fair Labor Standards Act of 1938, as amended, has been complied with in the production of goods and/or with respect to services furnished under this contract.

CUSTOMER

INR 10G

DATE 6-13-88

CUSTOMER

Thames

Robert

Theresa Green

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 1004-0135
Expires August 31, 1985

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use "APPLICATION FOR PERMIT" for such proposals.)

1. OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> <u>Dry Hole</u>		5. LEASE DESIGNATION AND SERIAL NO. <u>U-41258</u>
2. NAME OF OPERATOR <u>EP Operating Company</u>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
3. ADDRESS OF OPERATOR <u>7800 Stemmons Frwy, Ste 500 Dallas, TX 75242</u>		7. UNIT AGREEMENT NAME
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.) At surface <u>1100' FSL & 1375' FWL (SE-SW)</u>		8. FARM OR LEASE NAME <u>Flatland Federal</u>
14. PERMIT NO. <u>43-037-31416</u>		9. WELL NO. <u>1-10</u>
15. ELEVATIONS (Show whether DF, RT, GR, etc.) <u>5873' GR</u>		10. FIELD AND POOL, OR WILDCAT <u>Wildcat</u>
		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA <u>Section 10, T37S-R23E</u>
		12. COUNTY OR PARISH <u>San Juan</u>
		13. STATE <u>Utah</u>

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	MULTIPLE COMPLETE <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	ABANDON* <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>
(Other) <input type="checkbox"/>	

SUBSEQUENT REPORT OF:

WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
SHOOTING OR ACIDIZING <input type="checkbox"/>	ABANDONMENT* <input checked="" type="checkbox"/>
(Other) <u>Spud & Drilling Operations</u>	<input checked="" type="checkbox"/>

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Spudded 11 inch hole 5-29-88. Drilled to 2300 feet, ran 8-5/8", 24#, K55 casing to bottom and cemented to surface with 406 cacks Class "B" + 16% Gel and 200 sacks Class "B" +2% CC. Installed 8-5/8" x 11", 3000 PSI wellhead. Nippled up BOP and tested rams and surface equipment to 3000 PSI, tested annular to 1500 psi. Drilled 7-7/8" hole to a total depth of 6,512 feet. Cored Ismay from 6,160 feet to 6,220 feet. Ran DST #1 in the Ismay from 6,079 feet to 6,220 feet. Ran DST #2 in the Desert Creek from 6,328 feet to 6,572 feet. Run full suite of open hole logs. Received verbal approval to plug and abandon 6-13-88. Plugs set as shown below. Released rig 6-14-88.

Plug Intervals:

6160' - 5960'	75 sacks Class B neat
2400' - 2200'	60 sacks Class B neat
90' - Surface	25 sacks Class B neat

Location restoration to commence as soon as possible. Will allow reserve pit to dry completely prior to restoration.

18. I hereby certify that the foregoing is true and correct

SIGNED Jack L. Sledge

TITLE Regional Drilling Manager

DATE 6-15-88

(This space for Federal or State office use)

APPROVED BY _____
CONDITIONS OF APPROVAL, IF ANY:

TITLE _____

DATE _____

*See Instructions on Reverse Side

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 1004-0135
Expires August 31, 1985

5. LEASE DESIGNATION AND SERIAL NO.

U - 41258

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

SUNDRY NOTICES AND REPORTS

(Do not use this form for proposals to drill or to deepen or plug a well into a different reservoir.
Use "APPLICATION FOR PERMIT--" for such proposals.)

RECEIVED
JUL 14 1988

1. OIL WELL ☐ GAS WELL ☐ OTHER ☒ Dry Hole

2. NAME OF OPERATOR

EP Operating Company

3. ADDRESS OF OPERATOR

7800 Stemmons Frwy - Ste. 500 Dallas, TX 75247

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*
See also space 17 below.)
At surface

1100' FSL & 1375' FWL (SE-SW)

14. PERMIT NO.

43-037-31416

15. ELEVATIONS (Show whether DF, RT, GR, etc.)

5873' GR

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Flatland Federal

9. WELL NO.

1-10

10. FIELD AND POOL, OR WILDCAT

Wildcat

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA

Section 10, T37S-R23E

12. COUNTY OR PARISH 13. STATE

San Juan

Utah

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF

FRACTURE TREAT

SHOOT OR ACIDIZE

REPAIR WELL

(Other)

PULL OR ALTER CASING

MULTIPLE COMPLETE

ABANDON*

CHANGE PLANS

SUBSEQUENT REPORT OF:

WATER SHUT-OFF

FRACTURE TREATMENT

SHOOTING OR ACIDIZING

(Other) Cementers Record - P&A

REPAIRING WELL

ALTERING CASING

ABANDONMENT*

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

See attachment

18. I hereby certify that the foregoing is true and correct

SIGNED

Jack L. Sledge

TITLE Regional Drilling Manager

DATE 7-11-88

(This space for Federal or State office use)

APPROVED BY

CONDITIONS OF APPROVAL IF ANY:

TITLE

DATE

*See Instructions on Reverse Side

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUBMIT IN DUPLICATE*

(See other in-
structions on
reverse side)Form approved.
Budget Bureau No. 42-R355.5.

WELL COMPLETION OR RECOMPLETION REPORT AND LOG *

1a. TYPE OF WELL: OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> DRY <input checked="" type="checkbox"/> Other _____		5. LEASE DESIGNATION AND SERIAL NO. Federal U-41258	
b. TYPE OF COMPLETION: NEW WELL <input type="checkbox"/> WORK OVER <input type="checkbox"/> DEEP-EN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> DIFF. RESVR. <input type="checkbox"/> Other P & A		6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
2. NAME OF OPERATOR EP Operating Company		7. UNIT AGREEMENT NAME	
3. ADDRESS OF OPERATOR 7800 Stemmons Frwy, Ste 500 Dallas, TX 75241		8. FARM OR LEASE NAME Flatland Federal	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements) At surface 1100' FSL & 1375' FWL (SE-SW) At top prod. interval reported below At total depth		9. FIELD AND POOL, OR WILDCAT Wildcat	
14. PERMIT NO. 43-037-31416		10. SEC. T. R. M. OR BLOCK AND SURVEY Section 10, T37S-R23E	
DATE ISSUED 5-5-88		11. COUNTY OR PARISH San Juan	
15. DATE SPUDDED 5-29-88		12. STATE Utah	
16. DATE T.D. REACHED 6-11-88		13. ELEV. CASINGHEAD	
17. DATE COMPL. (Ready to prod.) 6-14-88		14. ELEVATIONS (DF, R&B, RT, GR, ETC.) 5873' GR	
20. TOTAL DEPTH, MD & TVD 6512'		21. PLUG, BACK T.D., MD & TVD Surface	
22. IF MULTIPLE COMPL., HOW MANY*		23. INTERVALS DRILLED BY	
24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)* None		25. WAS DIRECTIONAL SURVEY MADE? No	
26. TYPE ELECTRIC AND OTHER LOGS RUN DLL/MSFL/GR/CAL/LTCL/CNT/NGT, SDT/GR, SHOT/GR		27. WAS WELL CORED? Yes	
28. CASING RECORD (Report all strings set in well)			
CASING SIZE	WEIGHT, LB./FT.	DEPTH, SET (MD)	HOLE SIZE
8-5/8"	24	2300'	11"
CEMENTING RECORD		AMOUNT PULLED	
406 sx "B" w/16% Gel		None	
200 sx "B"			
29. LINER RECORD			
SIZE	TOP (MD)	BOTTOM (MD)	BACKS CEMENT*
30. TUBING RECORD			
SIZE	DEPTH SET (MD)	PACKER SET (MD)	
31. PERFORATION RECORD (Interval, size and number)			
P&A			
32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.			
DEPTH INTERVAL (MD)		AMOUNT AND KIND OF MATERIAL USED	
6160' - 5960'		75 sx "B"	
2400' - 2200'		60 sx "B"	
90' - Surface		25 sx "B"	
33. PRODUCTION			
DATE FIRST PRODUCTION		PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)	
DATE OF TEST		HOURS TESTED	
CHOKE SIZE		PROD'N. FOR TEST PERIOD	
OIL—BBL.		GAS—MCF.	
WATER—BBL.		GAS-OIL RATIO	
FLOW. TUBING PRESS.		CASING PRESSURE	
CALCULATED 24-HOUR RATE		OIL GRAVITY-API (CORR.)	
34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)			
35. LIST OF ATTACHMENTS			
36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.			
SIGNED Jack T. Sledge		TITLE Regional Drilling Manager	
DATE 7-25-88			

*(See Instructions and Spaces for Additional Data on Reverse Side)

INSTRUCTIONS

General: This form is designed for submitting a complete and correct well completion report and log on all types of lands and leases to either a Federal agency or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office. See instructions on Items 22 and 24, and 33, below regarding separate reports for separate completions.

If not filed prior to the time this summary record is submitted, copies of all currently available logs (drillers, geologists, sample and core analysis, all types electric, etc.), formation and pressure tests, and directional surveys, should be attached hereto, to the extent required by applicable Federal and/or State laws and regulations. All attachments should be listed on this form, see item 35.

Item 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

Item 18: Indicate which elevation is used as reference (where not otherwise shown) for depth measurements given in other spaces on this form and in any attachments.

Items 22 and 24: If this well is completed for separate production from more than one interval zone (multiple completion), so state in item 22, and in item 24 show the producing interval, or intervals, top(s), bottom(s) and name(s) (if any) for only the interval reported in item 33. Submit a separate report (page) on this form, adequately identified, for each additional interval to be separately produced, showing the additional data pertinent to such interval.

Item 29: "Sacks Cement": Attached supplemental records for this well should show the details of any multiple stage cementing and the location of the cementing tool.

Item 33: Submit a separate completion report on this form for each interval to be separately produced. (See instruction for items 22 and 24 above.)

37. SUMMARY OF POROUS ZONES:

SHOW ALL IMPORTANT ZONES OF POROSITY AND CONTENTS THEREOF; CORED INTERVALS; AND ALL DRILL-STEM TESTS, INCLUDING DEPTH INTERVAL TESTED, CUSHION USED, TIME TOOL OPEN, FLOWING AND SHUT-IN PRESSURES, AND RECOVERIES

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.
Ismay	6160'	6220'	Cone #1 (See Attached Description)
Ismay	6079'	6220'	DST #1 (See Attached Description)
Desert Creek	6328'	6512'	DST #2 (See Attached Description)

OIL AND GAS	
DRN	WATER
EDTS	WATER
FILE	WATER

38. GEOLOGIC MARKERS

NAME	MEAS. DEPTH	TRUE VERT. DEPTH
Chinle	2238	
DeChelly	3160	
Hermosa	5048	
Upper Ismay	6114	
Hovenweep	6252	
Lower Ismay	6272	
Gothic	6330	
Desert Creek	6356	
Akah	6478	
Paradox Salt	6509	

ESC SO

EP Operating Company
FLATLAND FEDERAL NO.1-10

Lease No.:U-41258
CORE No.1

6-10-88

FORMATION: ISMAY

INTERVAL: 6,160' - 6,220'

RECOVERY: 59.6'

CORE DESCRIPTION:

6160-	65	DOLMITE, W/ SOME ANHYDRITES
66-	70	DOLMITE W/SOME ANHY NODULES
71-	81	LS, ANHY NOD, SLIGHT FRACTURE @ 6178'
82-	89	LS MOUND, SOME ODOR, SLIGHT BLEEDING OIL IN PATCHES, ISOLATED VUGS, FAIR TO GOOD INTERCRYSTALLINE AND VUGULAR POROSITY
90-	93	DOLMITE, ANDY NODULES, MUD STONE - TIGHT
94-	96	LS - TIGHT, NO SHOWS
6197-6200		LS - TRACE OF BLEEDING OIL
01-	15	LS, STREAK OF POROSITY, FAIR ODOR, SLIGHT OIL BLEEDING; FAIR TO GOOD INTERCRYSTALLINE LIME PIN POINT & VUGULAR POROSITY; CHIP PRODUCED STREAMING CUT
16-	17	DOLOMITE - VERY TIGHT
18-	20	HOVENWEEP SHALE

100% REC - ALL REC HAD SLIGHT ODER

ESC SO

EP Operating Company Lease No. U41258

LEASE: FLATLAND FEDERAL NO.1-10

DST # 1

DATE: 6/10/88

FORMATION: ISMAY

TYPE OF TEST: OPEN HOLE (CONV)

CHOKE SIZE: 1/4 "

TIMES	SURFACE BLOWS
IFP 5 MIN	OPEN W/2" BLOW CLOSE W/ 8" BLOW
1SIP 30 MIN	BLEW DOWN IN 5 MIN
FFP 60 MIN	OPEN W/ STRONG BLOW BOTTOM OF BUCKET IN 5 MIN
	ON OZ GAUGE: 10 MIN 7 1/2 OZ, 20 MIN 8 OZ, 30 MIN 8 OZ,
	40 MIN 8 OZ, 50 MIN 8 OZ, CLOSE W/ 8 OZ.
ISIP 120 MIN	OPEN TO PIT W/ NO FLARE, NO GAS TO SURFACE, BLEW DOWN
	5 MIN.

TOTAL TIME OF TEST 3 HRS 35 MIN

PACKERS UNSEATED @ 10:04 MST

DRILL PIPE RECOVERY: 90' MUD

SAMPLE CHAMBER RECOVERY:

.41 CUFT GAS @ 90 PSI

1300 CC MUD

CHORIDES 9000 PPM,

RESISTIVITY .55 @ 80 DEG;

BHT: 128 DEG

GOR: NA

CHART READINGS (PSI):

UPPER @ 6050'

LOWER @ 6086'

	IHP	2880	2880
OPEN/ CLOSE	IFP	35/35	37/37
	ISIP	199	201
OPEN/CLOSE	FFP	48/48	50/50
	FSIP	866	868
	FHP	2892	2893

CHARTS INDICATE GOOD MECHANICAL TEST.
FORMATION APPEARS TO BE TIGHT.

ESC SO

EP Operating Company

Lease No. U-41258

LEASE: FLATLAND FEDERAL NO. 1-10

DST #2

DATE: 6/13/88

FORMATION: DESERT CREEK

TYPE TEST: OPEN HOLE (CONV)

PACKERS SET @ 6322', 6328'

INTERVAL TESTED: 6328' TO 6512'

NO CUSHION

CHOKE SIZE: 1/4"

TIMES

IFP 5 MIN
ISIP 60 MIN
FFP 60 MIN

SURFACE BLOWS

OPEN W/ GOOD BLOW, CLOSE W/ 12 OZ ON GAUGE;
OPEN TO PIT BLEW DOWN IN 5 MIN;
OPEN W/ BLOW TO BOTTOM OF BUCKET, IN 2 MIN HAD
16 OZ, 5 MIN 15 OZ, 10 MIN 13 OZ, 20 MIN 10.5 OZ
30 MIN 8 OZ, 40 MIN 6 OZ, 60 MIN 5 1/2 OZ
OPEN TO PIT W/ NO FLARE AND NO GAS OR OIL SHOWS

ISIP 120 MIN

TOTAL TIME OF TEST: 4 HRS 5 MIN

DRILL PIPE RECOVERY: 65' MUD

SAMPLE CHAMBER RECOVERY:

.25 CUFT OF GAS @ 60 PSI

1460 CC OF MUD

CHORIDES 5000 @ 78 DEG; RESISITIVITY .35

BHT: 136 DEG

GOR: N/A

CHART READINGS (PSI):

UPPER @ 6298'

LOWER @ 6334'

IHP	3126	3132
OPEN/CLOSE IFP	34/34	37/37
ISIP	220	226
OPEN/CLOSE FFP	34/46	37/50
FSIP	405	415
FHP	3126	3132

GOOD MECHANICAL TEST W/ NO GAS OR OIL SHOWS

COMPANY: EP Operating UT ACCOUNT # 10400 SUSPENSE DATE: _____

WELL NAME: Flatland Fed 1-10

API #: 13-037-31416

SEC, TWP, RNG: 10 37S 03E

TELEPHONE CONTACT DOCUMENTATION

CONTACT NAME: _____

CONTACT TELEPHONE NO.: _____

Sammy
303-831-1616

SUBJECT: _____

(Use attachments if necessary)

RESULTS: _____

Requesting Conf status on well awaiting letter on
Gundy 8-22-88 1:51

(Use attachments if necessary)

CONTACTED BY: _____

DATE: _____

PAS
8-22-88

CONFIDENTIAL